

A financially inclusive city

1. Introduction and context

People's financial position has profound implications for their wellbeing. A strong financial base enables people to plan and invest in their needs and aspirations, ensuring that they are in a position to capitalise on opportunities (for example new homes, new jobs or investments) or to cope with unexpected events (everything from the fridge breaking to an unexpected health issue). Equally, being less financially resilient or vulnerable can have profound knock-on implications on people's lives, for example through debt and the impact on physical and mental health.

We are in an era of significant social and economic change – and Sheffield is changing rapidly too – growing demographically, with greater diversity, and growing economically but unevenly. There is a changing job market with more people in flexible, part-time, self-employed work which increasingly means less dependable hours and incomes and resultant in-work poverty. In addition, we have a housing market with a growing private rented sector, which can mean that people's accommodation is less secure than in other housing tenures, and are less able to access support if things are at risk of going wrong.

Cities like Sheffield are fantastic places to live and work and they are increasingly the lifeblood of the global economy. As we continue to grow as a city, we want people living and working in Sheffield to be connected to the opportunities that the city offers – be that high skilled jobs; good education and training; high quality homes and neighbourhoods; leading arts, culture and sport; and big city centre retail and leisure.

But financial exclusion remains a major challenge for Sheffield and it has a profound impact on the lives of people who are either already experiencing or at risk of experiencing financial problems. The associated problems can be significant for individuals and families, including spiralling debt, long-term physical and mental health issues such as stress and anxiety, unemployment, and reliance on illegal money lending. These challenges, in turn, bring higher and long-term demand on key public services and reduce the ability of people to fulfil their ambitions and play active roles in the life of city and their local community.

Therefore, becoming a more economically and financially inclusive city is critical to Sheffield's future. Recognising the significant change that is taking place in the global, national and local economy, we have to be realistic about the extent to which we can control some of the factors that expose people to financial difficulties. However, we have the ability to maximise the tools and powers we have to prevent, support and enable people in Sheffield to become more financially resilient. This means:

- equipping people with the right financial education, access to information and advice to *prevent* financial exclusion as far as is possible
- supporting people to be more financial resilient over time
- providing the tools and knowledge to avoid people slipping into financial exclusion at times of crisis
- providing robust and integrated services which support those who are most at risk of significant financial vulnerability.

2. Tackling financial exclusion: what we're already doing

Financial exclusion is a significant challenge and we have already taken a number of important steps to try to tackle the underlying problems that people in the city face:

Sheffield Fairness Commission

The Sheffield **Fairness Commission**, which published its report in 2013¹, recognised that fair access to benefits, advice and credit were a key part of making Sheffield a fair city. It included a recommendation to carry out work into the high-cost credit market which was supported by the Council in the Response to the Fairness Commission approved by Cabinet in July 2013 and which led to the establishment of Sheffield Money (see below for further details).

The Our Fair City campaign continues to build on the work of the Commission, with this strategy particularly linking to the Fair Money strand of work.

Tackling Poverty Strategy

The 2015-18 **Tackling Poverty Strategy**, approved by Cabinet in March 2015 in pursuance of a duty under the Child Poverty Act 2010 (now Life Chances Act), set out the actions to be taken by organisations in Sheffield to tackle poverty. Financial inclusion is part of this wider city approach to tackling poverty, and it should be noted that – particularly where people are more vulnerable to financial shocks – improved access to appropriate financial products and improved financial capability can only be successful as part of a wider approach to ensuring that their income is high enough to meet their needs.

Vital contribution from key partners

There are many established organisations which make a significant contribution to improving financial inclusion within the city. These include:

- **Sheffield Citizens Advice** (trading name of Sheffield Citizens Advice and Law Centre) was formed from several neighbourhood advice providers to create a single point for citizens' advice, making free, independent, high quality advice more accessible for issues such as benefits, tax credits, debt, housing, employment and immigration. As well as advice being generally available, it provides targeted advice services, including within several food banks and through mental health services and the Building Successful Families programme. It helps over 18,000 people each year.
- **Sheffield Credit Union** provides savings and affordable loans across South Yorkshire. Their products include budgeting accounts, which provide 'jam jar' systems to help people manage their bills (particularly helpful for those who might be managing a

The parts of the **Tackling Poverty strategy** that this financial inclusion strategy links and contributes to include:

- Putting poverty at the heart of decision-making (poverty proofing)
- Providing advice, advocacy and access to entitlements and direct financial support
- Reducing the costs of everyday essentials (*particularly here in relation to credit and some household bills*)
- Quality jobs with fair terms and conditions (*referenced below in actions around working with employers*)
- Maximising entitlements for those who cannot work

¹ Sheffield Fairness Commission (2013) *Making Sheffield Fairer*, <https://www.sheffield.gov.uk/dms/scc/management/corporate-communications/documents/legal-justice-rights/fairness-commission/Fairness-Commission-Report/Fairness%20Commission%20Report.pdf>

household income for the first time, e.g. as a result of Universal Credit), and payroll membership savings and loans.

- **Social landlords** and **Council Housing Service** provide support to their tenants to help them manage their money and improve their financial situation. This helps make tenancies more sustainable, therefore benefitting both tenant and landlord.
- In addition, there are many more voluntary and community sector organisations in the city that help people with financial issues.

The role of the Council

Sheffield City Council administers schemes which have an impact on financial inclusion, including

- *Local Assistance Scheme* - provides loans and grants for those in greatest need as a result of an emergency or crisis, or in order to establish themselves in the community (after, for example, a lengthy hospital stay). The Local Assistance Scheme was set up following the revocation of the discretionary elements of the DWP's Social Fund by the Welfare Reform Act 2012
- *Council Tax Support Scheme* – this was set up in April 2013, in accordance with the Local Government Finance Act 1992 as amended in 2013 and regulations thereunder, when the Government abolished Council Tax Benefit. It provides some support for people to pay their Council Tax who are eligible due to low income or being in receipt of particular benefits.
- *Council Tax Hardship Scheme* – this scheme, made using powers under the Local Government Finance Act 1992 as amended, helps people who receive Council Tax Support and who are in severe hardship.
- *Discretionary Housing Payments* – these payments provide assistance to households who are receiving Housing Benefit and who are experiencing financial hardship as a result of a shortfall between their Housing Benefit and Rent. Sheffield City Council administers this scheme using the powers under the Discretionary Financial Assistance Regulations 2001.

Sheffield City Council also provides grant funding to several organisations which support the financial resilience of people in the city, including Sheffield Citizens Advice (see above). Much of the work of the council also impacts on financial inclusion, including that of social work, Housing+ (support for Council Housing tenants), the People Keeping Well programme and Trading Standards work with the regional Illegal Money Lending Team.

Nationally:

- The Financial Inclusion Commission, which published its first report in 2015, is a national independent campaigning body made up of parliamentarians and experts whose aim is to promote financial inclusion on the public policy agenda.
- The Money Advice Service is a statutory service established (alongside the Pensions Advisory Service and Pension Wise) by central government in 2010 to provide free, impartial money advice online, over the phone and in person. It was announced in the

2016 Budget that the three providers would be restructured with a new delivery model including a new pensions guidance body and a new 'slimmed down' money guidance body identifying gaps in the market and commissioning providers to ensure that consumers can access the debt advice and money guidance they need. The legislation to enable this change has not yet been enacted and the impact on support available within the city is not yet known.

3. Why this matters: understanding financial exclusion in the UK and Sheffield

The Financial Inclusion Commission took a snapshot of financial inclusion in the UK in 2015²:

- Nearly two million adults do not have a bank account
- Up to 8.8 million people are over-indebted
- 13 million people do not have enough savings to support them for a month if they experienced a 25% drop in income
- 15 million people (31% of the population) report one or more signs of financial distress

The financial inclusion challenge in Sheffield

Drawing on research from national bodies and evidence from workshops with local stakeholders (including representatives from Housing Associations, Department for Work and Pensions, Sheffield Citizens Advice, Age UK, Food Bank Network, Sheffield Credit Union, and Sheffield City Council), we have identified that there are a number of issues which are having a significant impact on the financial health of people in Sheffield:

There is an increasing issue with over-indebtedness

Whilst credit can be a very effective method of managing large expenses, we have seen both nationally and locally an increase in over-indebtedness, where people cannot meet their credit payments.

THE DATA

- Nationally, more people are seeking debt advice than ever before – 313,679 contacted StepChange³ for help between January and June 2015, up 11% from the same period last year, following notable rises since 2012⁴.
- In 2016, Yorkshire and Humber had the third highest levels of demand for debt advice of the 12 UK regions.
- Locally, Sheffield Money has seen significant evidence of over-indebtedness in their enquiries. Among their main market of 24-35 year olds, 25% have defaulted debt. Extrapolating from the national figures above, and assuming that Sheffield is close to average within the UK, suggests that **70,000 people within the city are over-indebted**.

New regulation has impacted on high-cost doorstep and payday lenders

National regulatory changes have decreased the activity of high-cost doorstep and payday lenders. However, evidence suggests that this has not been replaced by mainstream lending, but rather by other high-cost credit such as credit cards, pay weekly stores and – most concerningly – loan sharks.

² Financial Inclusion Commission (2015) *Financial Inclusion: improving the financial health of the nation*, http://www.financialinclusioncommission.org.uk/pdfs/fic_report_2015.pdf

³ StepChange are a charity which support people experiencing challenges with debt and raise awareness of the issues surrounding debt in the UK. <https://www.stepchange.org/>

⁴ StepChange (2016) *Statistics Mid-Yearbook*, <https://www.stepchange.org/Portals/0/documents/media/reports/statisticsyearbooks/Statistics-Mid-Yearbook-2016.pdf>

THE DATA

- There have been significant regulatory changes⁵ for high-cost doorstep lenders (such as Provident) and payday lenders (such as Wonga) since January 2015. This has had an impact: **the amount Provident lends has reduced by 50% since the regulation took effect.**
- The national and local evidence suggests that this lending is being replaced by the following:
 - **Credit Cards.** These are currently the most common unsecured debts⁶. In light of strong demand, which may be attributable to the contraction in pay-day lending market, some lenders have introduced new high-cost cards with higher APR between 30-60%. This can be a very high-cost form of debt, and of particular concern for high risk and vulnerable groups, who could be significantly impacted by any interest rate increases.
 - **Pay weekly stores such as Brighthouse or PerfectHome.** These stores often do not carry out credit checks, making them popular with consumers with poor or no credit ratings. They do not, however, represent good value for their customers, pushing them towards higher-cost products along with extra (and often unnecessary) services. Brighthouse has announced a national expansion of its stores, significantly including into neighbourhood centres. Representatives at our workshops confirmed that pay weekly stores are considered a significant issue locally.
 - **Catalogues and Pawnbrokers.** Local anecdotal evidence from our workshops suggests that these sources of credit are continuing to be popular.
 - **Informal lending, both legal and illegal.** StepChange has noted that reliance on loans from family and friends has risen from 20% to 28% of clients. Of greater concern, local intelligence strongly indicates **a significant issue with loan shark activity** in some parts of the city, particularly S2 and S5.

National changes to the welfare system are having a significant impact on Sheffield

Welfare reform is having an impact on financially excluded people, both in the benefit income some of them receive and also because Universal Credit monthly payments will require money management skills not previously required.

THE DATA

- The impacts of welfare reform are affecting financial inclusion in the city, including the full roll-out of Universal Credit and Personal Independence Payments.
- Universal Credit, in particular, requires benefit recipients to manage their payments for rent, etc., where the payments would have previously been made directly. This requires a higher level of financial capability than has previously been needed.
- Sheffield Hallam University has estimated that when all welfare reforms come to fruition, Sheffield will lose some £169m a year in benefit income, equivalent to £460 a year for every adult of working age in the city⁷.

⁵ Total Cost of Credit (TCC) in the High Cost Short Term Credit (HCSTC)

⁶ StepChange (2016) *Statistics Mid-Yearbook*,

<https://www.stepchange.org/Portals/0/documents/media/reports/statisticsyearbooks/Statistics-Mid-Yearbook-2016.pdf>

⁷ <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/impact-welfare-reform-sheffield.pdf>

The city's housing market is changing with more people living in private rented accommodation

Both social-rented and private-rented tenants are at particular risk of financial exclusion. However, whilst there is support available for social-rented tenants from landlords, the numbers of private-rented tenants will be greater than social-rented tenants by 2020, and the financial inclusion support available for them is more variable.

People seeking debt advice are now younger, more likely to be renting (77% of all clients, up from 55.4% in 2011) and more likely to be working (although part-time and self-employed work is increasing)⁸. Both social-rented and private-rented tenants are more likely to suffer from financial exclusion than owner-occupiers.

The type of jobs and the way people work has changed dramatically

Many of the people affected by financial exclusion are *in work*, but may be working part-time or seasonally and are therefore more exposed to financial shocks. In addition, both university and vocational students are at risk of over-indebtedness and financial exclusion.

THE DATA

- Employment in Sheffield has steadily increased since the recession, with 8.6% more people in employment between 2007 and 2014⁹
- Sheffield's employment rate is similar to the national average – but it is the type of jobs and the incomes earned from those jobs that is the challenge
- 'Gig economy' – the world of work is transforming globally with more temporary and short term contracts which is posing questions for established employment laws and rights.
- Less regularised work patterns and contractual arrangements have implications for people's incomes and mean that people are less able to depend on a regular or guaranteed level income or on when they will be paid.
- There are notable differences in the experiences of men and women in Sheffield. Male unemployment has risen earlier and quicker than female unemployment over the last ten years, but female unemployment rates has remained relatively high. This recent trend in male and female unemployment in Sheffield may be reflective of a) the gender differences in occupations, with male employment in sectors such as construction and manufacturing and women employed more in caring and service sectors, and b) the relative fortunes of these sectors and related public services over this period.
- Sheffield is a great university city with two leading institutions and over 60,000 students living and learning here. But both university and vocational students are more likely to suffer from over-indebtedness and financial exclusion than the rest of the population.

⁸ StepChange (2016) *Statistics Mid-Yearbook*,

<https://www.stepchange.org/Portals/0/documents/media/reports/statisticsyearbooks/Statistics-Mid-Yearbook-2016.pdf>

⁹ State of Sheffield 2016 <https://www.sheffieldfirst.com/key-documents/state-of-sheffield.html>

People are not seeking support early enough

Evidence from our workshops with partners in the city suggests that there is an issue with people not accessing support early enough, even when it is available.

This may be due to lack of trust in the organisations providing the support, for example if they are also creditors (such as landlords or the local authority) or because of a fear of facing their difficulties.

A lack of savings means that people are more exposed to financial shocks

National evidence indicates that far too few households have enough savings to help them get over a short-term financial shock such as a drop in income or a household appliance needing replacing.

Evidence from workshops pointed to the power of savings. Practically it gives a financial cushion to help people through an unexpected expense or loss of income (particularly if the savings are with a credit union which is able to provide cheaper lending to their savers), but equally as powerfully, savings give an emotional boost to those who have felt out of control financially: by building up even very small amounts every week, people feel like they are making a positive contribution to their financial wellbeing.

THE DATA

- Nationally, there are 13 million people who do not have enough savings to support them for one month if they experienced a 25% cut in income.
- Only 41% of British households have savings. UK households save less than almost any other country in the EU¹⁰.
- Extrapolating these national figures, and assuming that Sheffield is close to average within the UK, suggests that **140,420 households in the city are without savings**.

Life costs more for people with less money – a ‘poverty premium’

Exclusion from the financial mainstream often means that people pay a ‘poverty premium’ of as much as 10p in the pound (or £1,300 each year) – a significant extra cost for those already struggling to make ends meet.

This can be down to different factors. For example, low income households can find themselves disadvantaged by the payment methods they are able to access, or are charged higher prices to cover a perceived (but not necessarily justified) greater level of risk¹¹.

Financial education may be effective in the right situation

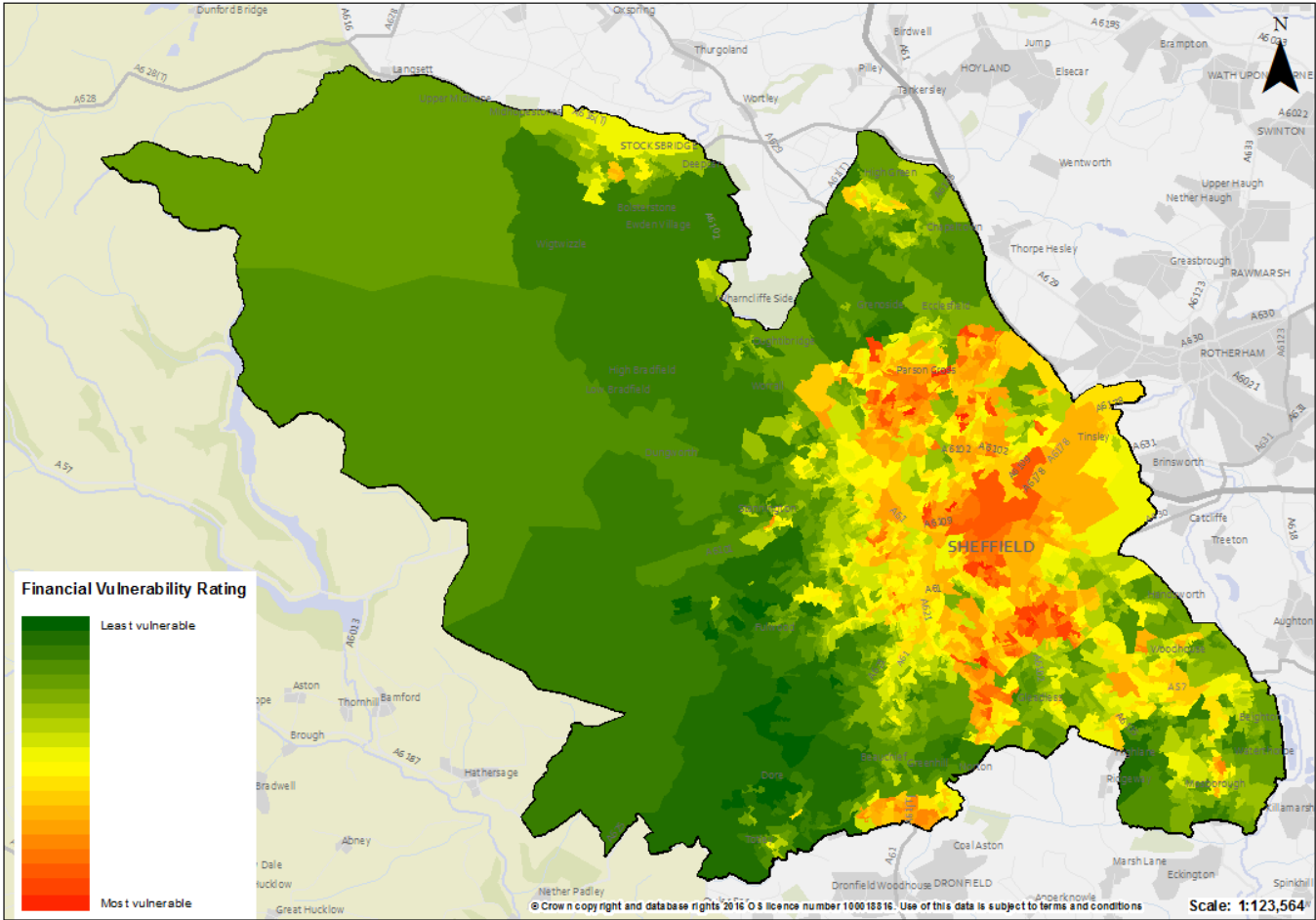
Financial education is widely mentioned as an important intervention to consider, but there is very limited evidence for its effectiveness. However, local intelligence suggests that programmes focused on pupils just before they leave school may help prepare them for the world of credit and money management.

¹⁰ Financial Inclusion Commission <http://www.financialinclusioncommission.org.uk/facts>

¹¹ Joseph Rowntree Foundation 2013

Financial Exclusion: the geographical context

The map below shows the level of financial vulnerability of households across Sheffield as modelled by Experian using variables such as use of current accounts, likelihood of using home credit, income level and presence of debt problems.



4. A financially inclusive city: our plan

Financial exclusion continues to be a significant, persistent and entrenched problem in Sheffield.

Vision:

We want to be a financially inclusive city where people have the information and support they need to become more financially resilient over time and have the tools and knowledge to avoid slipping into financial exclusion at times of crisis.

In doing this, we will employ some key principles:

What we will do:

- focus on prevention – supporting people to financial resilience to help avoid a crisis point
- offer the right support and advice when people need it
- wrap-around and targeted solutions for the most vulnerable
- focus on employment and better-paid employment (including recognising the city’s wider responsibilities to connect people into higher paid jobs)

How we will act:

- innovate and collaborate – across the public, private and VCF sector to deliver solutions that are right for Sheffield
- listen to the experts in financial exclusion – those people who are experiencing it –and build on the financial resilience that already exists in communities
- be vocal and challenging –push for change and new powers where there are external challenges (for example, welfare system change)

Whilst financial inclusion is strongly linked to poverty, *it is not the same thing*. The financial inclusion approach detailed in this report is part of the city’s wider approach to tackling poverty as set out in section 2 above.

Financial inclusion is best thought of as a spectrum¹² and people may move between different points on the spectrum as things happen throughout their lives. Accordingly, it would not be appropriate for Sheffield to have fixed interventions and approaches – what

What do we mean by financial inclusion?

We have taken our definition of financial inclusion from Transact, the National Forum for Financial Inclusion:

- **Financial inclusion** is a state in which all people have access to appropriate, desired financial products and services in order to manage their money effectively. It is achieved by financial literacy and financial capability on the part of the consumer and accessibility on the part of the financial product, services and advice suppliers.

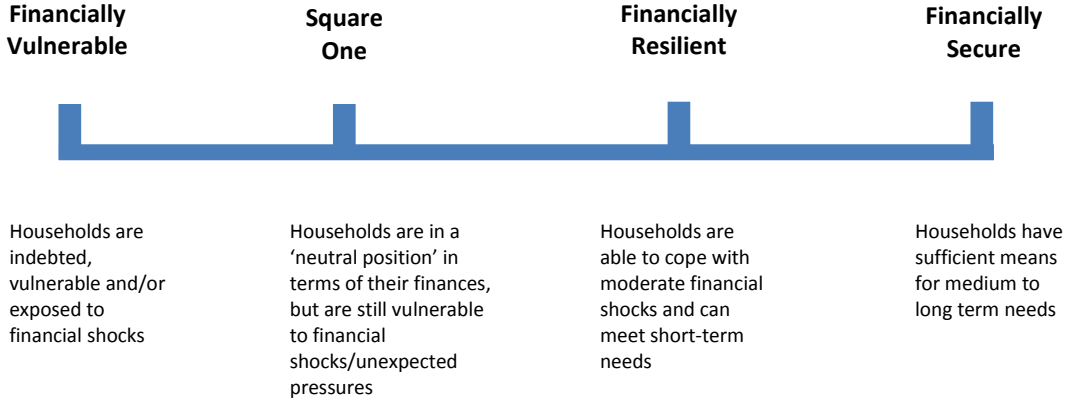
To define financial capability further:

- **Financial capability** is having the knowledge, skills, confidence and motivation to manage your money well. This includes understanding financial products, being able to use them and having the confidence and motivation to do so.

We recognise that financial inclusion is only one aspect of wider economic and social inclusion – ensuring that everyone in Sheffield is able to access the benefits of a prosperous community – and we therefore make links to these wider themes throughout this strategy.

¹² Association of Chartered Certified Accountants <http://inclusioncentre.co.uk/wordpress29/our-work/publications/britains-debt-how-much-is-too-much>

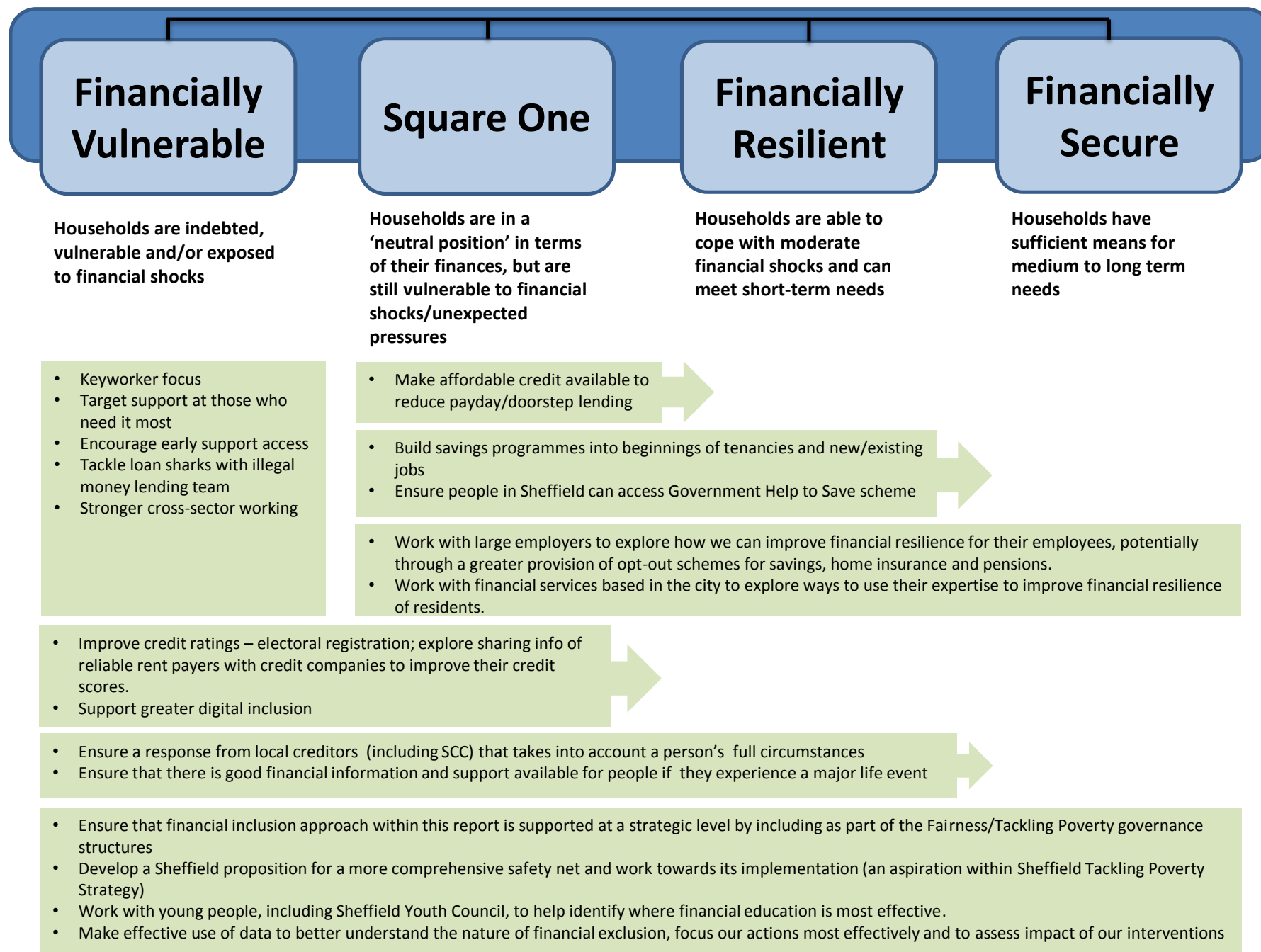
we need is a spectrum of support, advice and intervention which helps to prevent people experiencing financial exclusion during their lives but is equipped to provide more intensive, targeted support when people are financially vulnerable.



We will use this model to structure our interventions. However, interventions (possibly other than for the most vulnerable) are not exclusive to one particular place on the spectrum – indeed many of the key actions are beneficial for all, regardless of circumstance.

We want to limit the number of people becoming financially vulnerable as part of our ambition to be a more financially and economically inclusive city. Where people do become financially vulnerable, we will look to deliver targeted, comprehensive support that addresses the root causes of a person’s financial situation.

The proposed action plan is summarised below, and each area is explained in further detail in the next section.



A coherent spectrum of information, advice and support

Financial Security and Financial Resilience

Those people at the 'financially secure' end of the spectrum have sufficient means to meet medium to long-term financial needs. Main characteristics include:

- Proper insurance cover, not just for contents but income replacement
- Paying off/paid mortgage
- Significant pension provision
- Long-term savings/asset accumulation

Financial Resilience, one step 'down' the spectrum, is the ability to withstand financial shocks and meet short-term financial needs, but potentially remain vulnerable to long-term financial problems (e.g. a prolonged illness). It is characterised by:

- Income surplus
- Effective use of banking system
- Emergency Savings (three months' income)
- Access to fair, affordable credit
- Basic insurance cover
- Some form of 'safety net' in the form of people or organisations to turn to for financial assistance in a crisis
- Beginnings of a pension provision, but still under-pensioned

The approach to financial inclusion for people at these parts of the spectrum needs to emphasise prevention: consolidating the financial resilience they already have and ensuring that they know how to access help (including self-help) at an early stage should they need it.

Actions

- Improve financial resilience of all, including preventing those who are financially resilient or financially secure from moving down the continuum
- Ensure that financial inclusion approach within this report is supported at a strategic level by including as part of the Fairness/Tackling Poverty governance structures. These are currently under review.
- Work with young people, including Sheffield Youth Council, to help identify where financial education is most effective.
- Ensure that there is good information available for people if they experience a major life event (for example, cancer diagnosis, redundancy or family break up).
- Develop a Sheffield proposition for a more comprehensive safety net and work towards its implementation (*an aspiration within Sheffield Tackling Poverty Strategy*). This includes ensuring that the city's crisis response is as joined up and effective as possible whilst lobbying central Government for more support through the benefits system for people who find themselves in crisis.
- Make effective use of data to better understand the nature of financial exclusion, focus our actions most effectively and to assess impact of our interventions

Square One

People at 'square one' are in a 'neutral' position – still vulnerable, but within a platform to build on. The main characteristics include:

- Effective budgeting/'making ends meet' if possible
- Participating in the mainstream financial system to some extent (e.g. functional bank account)
- Paid off unmanageable/unproductive debt
- Underinsured and/or under-pensioned

Our financial inclusion approach here includes building up financial resilience through improving opportunities for regular saving; working with large employers and financial services in the city; and ensuring that affordable credit is available to those who would otherwise be using high-cost credit. The approaches here would ideally be set up to be non-labour intensive (e.g. through opt-out savings schemes at the beginning of a job) and therefore low-cost in the medium to long term.

Actions

- Increase the number of people saving regular amounts:
 - Building savings programmes into the beginning of tenancies and new and existing jobs
 - Ensure people in Sheffield can access Government Help to Save scheme via local partners
- Work with large employers to explore how we can improve financial resilience for their employees, potentially through a greater provision of opt-out schemes for savings, home insurance and pensions.
- Work with financial services based in the city to explore ways to use their expertise to improve financial resilience of residents.
- Ensure that affordable credit is available to people who would otherwise be using high cost credit such as doorstep lenders or payday lenders through ethical alternatives, for example, Sheffield Credit Union.

Financially vulnerable

People at the 'financially vulnerable' end of the spectrum are in a 'negative' position, vulnerable and exposed to shocks/detriment. The main characteristics of this point on the spectrum include:

- No or restricted access to transactional bank account
- Over-indebted/vulnerable to high-cost lending/trapped in a vicious cycle
- No savings
- Housing problems/rent arrears
- Low/unstable incomes/poverty
- Poverty premium – paying more for their basic goods and services
- Exposed to risk, no/little insurance cover
- No pension/under-pensioned

Evidence from workshops noted that many people at this point in the financial inclusion spectrum rely on personal relationships to help them navigate the system and to react to difficulties. Also noted was the fact that there is excellent financial inclusion support being provided by several organisations in the city, and but that knowledge of that support could be better disseminated.

Local intelligence also points to digital exclusion being closely linked to financial exclusion. Digital inclusion means both access to information technology and the ability to use it, and is experienced by different people in different ways. Some older people, for example, may not wish to or may find it difficult to engage with IT, whereas younger people, although more likely to be digitally engaged and who very probably own smart phones (or other internet enabled devices), may not be able to afford the data needed to be able to access the internet.

Actions

- Ensure that financial inclusion outcomes are a strong part of keyworker and other support models, so that when residents are being supported to access services, they are also supported to become more financially resilient. This includes equipping more front-line staff with knowledge about a) what to look for (the questions to ask), and b) how and where to signpost and refer most effectively.
- Improve knowledge of the financial inclusion support that is available in the city through improved networking/mapping for front-line workers. This includes ensuring effective referral criteria and pathways.
- Target support where it is most needed, building on the example of Sheffield Citizens Advice service that is in several city food banks.
- Ensure that the various discretionary schemes provided by Sheffield City Council are working effectively to provide support to those experiencing financial hardship or crisis.
- Ensure a reasonable response from creditors in the city, including by reviewing Sheffield City Council's approach to debt where an individual and household owes money to, or is receiving support from, more than one of its services.
- Explore the use of 'nudge' techniques to address the issue of over-indebtedness to encourage people to access support sooner and before they reach crisis point, building on the use of data systems to send automatic texts/emails to customers who they know to be in debt to remind them of support that is available to them.
- Work with the Illegal Money Lending team to tackle loan shark activity by raising awareness amongst frontline staff and residents.
- Improve credit rating to increase access to lower-cost credit:
 - Use every opportunity to ensure people are on the electoral register. Build it into as many Sheffield City Council contacts as possible, for example, calls to the contact centre also check to see if someone is registered. Also build in where possible to the beginning of tenancies (both social and private) and new jobs.
 - Investigate whether it is possible to share, with permission, the details of social tenants who pay their tenancies regularly with credit information companies, such as Experian, in order to establish and improve their credit scores.
- Recognise the importance of digital inclusion to financial inclusion and explore ways to improve access to information technology and confidence in using it.

5. Measuring success

The data presented in section 3 gives an overview of the differing aspects and levels of financial exclusion in the city. At first glance, we would therefore expect to be relatively able to measure the overall level of financial exclusion in the city and our impact on it of the approach within this strategy and the action plan.

However, reasonable as our overall picture of financial exclusion is, the data that it is based on is not currently sophisticated or sensitive enough to be able to easily assess the how that picture is changing month to month or year to year. One of the actions around our use of data will seek to address this. In the meantime, we will use outputs from our actions to assess our impact in this area.

6. Financial Inclusion Action Plan

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
1	Target support where it is most needed, building on the example of Sheffield Citizens Advice service that is in several city food banks.	Primarily financially vulnerable but by targeting support at significant life events such as ill health, there is scope for providing preventative support for those at square one or financially resilient before they reach financial crisis.	Sheffield City Council provides grant aid support to Sheffield Citizens Advice for its advice work on welfare benefits, debt, housing, employment and discrimination, all of which improve the financial wellbeing of its customers. The grant for 2017/18 is around £830K and represents the first of a three-year minimum-level grant agreement; an arrangement which provides stability for the organisation and those people they support.	Work with Sheffield Citizens Advice and other partners to target support preventatively at particular points in people's lives, including in hospitals when people are recovering from major health events (e.g. heart attack, cancer diagnosis, etc.). This work would need to be underpinned by quality data (see outcome below).	The grant to Sheffield Citizens Advice is subject to a separate Cabinet Report and has an accompanying outcomes and monitoring framework.
2	Improve knowledge of the financial inclusion support that is available in the city through improved mapping/networking for front-line workers.	Primarily financially vulnerable.	Build on existing networks and web resources to share and disseminate knowledge about the financial inclusion support that is available.	Explore potential with partners for networking peer support workshops.	Council Housing Financial Inclusion team developing portal of resources/funding/organisations by end of 2017.
3	Ensure that financial inclusion outcomes are a strong part of keyworker and other support models, so that when residents	Primarily financially vulnerable.	Equip more front-line staff with knowledge about a) what to look for in terms of financial	Review outcomes frameworks for front line services (whether those SCC delivers or commissions) to	Toolkit to be developed using Tackling Poverty

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
	are being supported to access services, they are also supported to become more financially resilient.		wellbeing (the questions to ask), and b) how and where to signpost and refer most effectively by developing a toolkit for workers and disseminating it amongst SCC and partner staff.	ensure that financial wellbeing is built into them where appropriate.	and Sheffield Citizens Advice information by June 2017.
4	Work with the Illegal Money Lending team to tackle loan shark activity by raising awareness amongst frontline staff and residents.	Financially vulnerable	Build awareness of illegal money lending and how to address it into front-line worker toolkit (see action 3 above). Work with Illegal Money Lending team to identify the most effective ways to raise awareness amongst frontline staff and residents.	Work with Illegal Money Lending team to investigate options to raise awareness with the public.	Toolkit to be developed using Tackling Poverty, Sheffield Citizens Advice and Illegal Money Lending Team information by June 2017.
5	Increase the number of people saving regular amounts and taking out contents insurance.	Financially vulnerable and Square One.	Offer savings and contents insurance 'package' to all new Council Housing tenants, by making it an easy opt in. Explore options for building savings/insurance programmes into the beginning of tenancies more widely in the city, along with new and existing jobs.	Ensure people in Sheffield can access Government Help to Save scheme when it is introduced via local providers such as Sheffield Credit Union	Council Housing Service to build package of savings and contents insurance by April 2017.

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
6	Work with large employers to explore how we can improve financial resilience for their employees, potentially through a greater provision of opt-out schemes for savings, home insurance and pensions.	Primarily square one and financially resilient, but incorporating parts of financially vulnerable as well.	Sheffield City Council and many other public, voluntary and private sector organisations work with Sheffield Credit Union and other affordable credit and savings options to make their services easily available to their employees.	Work with partners to identify and explore ways that employers can support and improve financial resilience.	
7	Ensure a reasonable response from creditors in the city, including by reviewing Sheffield City Council's approach when an individual is in debt to more than one of its services.	Financially vulnerable and square one.	Sheffield City Council commits to operate sensitive debt recovery procedures which do not place individuals in hardship, by having realistic, flexible methods of payment that can be adapted depending on individual circumstances.	Sheffield City Council will review its approach where an individual or household is in debt to, or receiving support from, more than one service to ensure that we are supporting individuals towards financial resilience. Work with other creditors in the city to learn from and disseminate best practice.	Sheffield City Council will review its approach to debt by end of 2017.
8	Help to facilitate access to affordable credit for people who would otherwise be using high cost credit such as doorstep lenders or payday lenders	Square one and financially resilient	Sheffield City Council works with Sheffield Credit Union to make their services easily available to its employees. Council Housing tenants are also supported to access affordable credit.	Work with partners to find ways to raise the profile of affordable credit options.	This will be approached as part of Fair Money campaign planned for April 2017.

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
9	Encourage people who are over-indebted to access support sooner before they reach crisis point.	Financially vulnerable	Sheffield Citizens Advice have started providing webchat and email support as a means of helping those clients who might have been put off by, or unable to access a face-to-face appointment due to work commitments.	Explore the use of 'nudge' techniques to encourage people to access support sooner, building on the use of data systems to send automatic texts/emails to customers who they know to be in debt to remind them of support that is available to them.	
10	Improve credit rating to enable people to access more affordable credit	Financially vulnerable	Use every opportunity to ensure people are on the electoral register. Build it into as many Sheffield City Council contacts as possible, for example, calls to the contact centre also check to see if someone is registered. Also build in where possible to the beginning of tenancies (both social and private) and new jobs.	Investigate whether it is possible to share, with permission, the details of social tenants who pay their tenancies regularly with credit information companies, such as Experian, in order to establish and improve their credit scores.	The work on increasing number of people on electoral register is currently underway and will be reviewed in April 2017.
11	Make effective use of data to better understand the nature of financial exclusion, focus our actions most effectively and to assess impact of our interventions	All areas of spectrum	Use modelling and other data to better understand where households in the city fit within the financial resilience spectrum.	Use future business intelligence approaches to investigate the impact of particular life events, such as major ill health, having a baby, relationship breakdown or loss of job, on the likelihood of financial crisis in order to inform where we should target support	

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
				in the most effective and efficient way.	
12	Ensure that financial inclusion approach within this report is supported at a strategic level by including as part of the Fairness/Tackling Poverty governance structures. These are currently under review.	All areas of spectrum	Carry out a review of the strategic groups which oversee the fairness and tackling poverty agendas, and ensure that financial inclusion outcomes are 'owned' within the new structure. Make the financial inclusion within this strategy widely available across the city so that it can be used to shape conversations and practices.	Build key aspects of the financial inclusion strategy into the Fair Money campaign which is being planned for Spring 2017.	Review of strategic groups to be completed by April 2017. Fair Money campaign planned for April 2017.
13	Work with financial services based in the city to explore ways to use their expertise to improve financial resilience of residents.	Primarily square one-financially secure, but could include parts of financially vulnerable.	Work with the Fair Money campaign being planned for spring 2017 to sign up more Fairness Champions within the financial services sector.	Build on and expand relationships with the financial services sector (including the Council's own bankers) to explore ways to use their expertise to improve financial resilience in the city.	Fair Money campaign planned for April 2017.
14	Improve financial resilience of all, including preventing those who are financially resilient or financially secure from moving down the continuum	Financially resilient and financially secure	Build a preventative approach into SCC's policies and procedures, including those approaches which apply to financial inclusion and which prioritise early interventions.		The details of this approach will be reflected in other actions.

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
15	Work with young people, including Sheffield Youth Council and Sheffield 0-19 Partnership, to help identify where financial education is most effective.	All areas of spectrum	Work with young people to explore where financial inclusion education may be most effective, for example as part of the Fair Futures strand of the Our Fair City campaign or in partnership with Universities and Colleges.	Where an effective approach to financial education has been identified, work with partners to put that approach in place.	
16	Recognise the importance of digital inclusion to financial inclusion and explore ways to improve access to information technology and confidence in using it	Financially vulnerable and square one.	Council Housing Service runs workshops for tenants who wish to improve their IT skills.	Sheffield City Council will carry out work to assess the scale and nature of digital exclusion in the city and identify targeted solutions to improve access to digital services.	
17	Develop a Sheffield proposition for a more comprehensive safety net and work towards its implementation (<i>an aspiration within Sheffield Tackling Poverty Strategy</i>)	All areas of spectrum	Work with partners to ensure that the city's crisis response is as joined up and effective as possible. Monitor best practice and innovative solutions to welfare safety nets around the world.	Work closely with Tackling Poverty Partnership on this long-term piece of work. Lobby central Government for more support through the benefits system for people who find themselves in crisis. Ensure that financial inclusion is part of a potential future employment and income hub which would co-locate support currently delivered separately by SCC and Job Centre Plus. This idea is in discussion stage.	

	Outcome	Area of Financial Resilience spectrum this particularly addresses	What Sheffield City Council and/or city partners will do now	What we will work towards	Further information
18	Effective support for those experiencing financial hardship or crisis	Financially vulnerable	Sheffield City Council will review the various discretionary hardship schemes to ensure that they are focused on providing appropriate and effective support for those who most need them		This will be subject to a further report during 2017

Sheffield City Council, February 2017